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NORTHERN DISTRICT OF CALIFORNIA

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16 UNITED STATES DISTRICT COURT
17 NORTHERN DISTRICT OF CALIFORNIA

18 INTERTRUST TECHNOLOGIES
19 CORPORATION, a Delaware corporation,

20 Plaintiff,

21 v.
22 MICROSOFT CORPORATION, a
Washington Corporation,

23 Defendant.

CASE NO: C 01-1640 SBA

**MICROSOFT CORPORATION'S
ANSWER TO THE SECOND
AMENDED COMPLAINT**

24 Defendant Microsoft Corporation ("Microsoft") answers the Second Amended
25 Complaint of InterTrust Technologies Corporation ("InterTrust") as follows:

26 1. Microsoft admits that the Second Amended Complaint purports to state a
cause of action under the patent laws of the United States, 35 United States Code, §§ 271 and
27 281. Microsoft denies that it has infringed or now infringes the patents asserted against Microsoft
in the Second Amended Complaint. Microsoft denies any and all remaining allegations of
28 paragraph 1 of the Second Amended Complaint.

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MICROSOFT'S CORPORATION'S ANSWER TO SECOND
AMENDED COMPLAINT, CASE NO. C 01-1640 SBA

1 2. Microsoft admits that the Second Amended Complaint purports to state a
2 cause of action over which this Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and
3 1338(a).

4 3. Microsoft admits, for purposes of this action only, that venue is proper in
5 this judicial district. Microsoft denies any and all remaining allegations of paragraph 3 of the
6 Second Amended Complaint.

7 4. Upon information and belief, Microsoft admits the allegations of paragraph
8 4 of the Second Amended Complaint.

9 5. Microsoft admits the allegations of paragraph 5 of the Second Amended
10 Complaint.

11 6. Microsoft admits, for purposes of this action only, that it transacts business
12 in this judicial district. Microsoft denies any and all remaining allegations of paragraph 6 of the
13 Second Amended Complaint.

14 7. Microsoft admits that on its face the title page of U.S. Patent No. 6,185,683
15 B1 ("the '683 Patent") states that it was issued February 6, 2001, is entitled "Trusted and secure
16 techniques, systems and methods for item delivery and execution," and lists "InterTrust
17 Technologies Corp." as the assignee. Microsoft admits that a copy of the '683 Patent was
18 attached to the copy of the Second Amended Complaint delivered to counsel for Microsoft, but
19 denies that such copy was full and complete insofar as it did not include any material purportedly
20 incorporated by reference therein. Microsoft denies that the '683 Patent was duly and lawfully
21 issued. Microsoft further denies any and all remaining allegations of paragraph 7 of the Second
22 Amended Complaint.

23 8. Microsoft admits that on its face the title page of U.S. Patent No. 6,253,193
24 B1 ("the '193 Patent") states that it was issued June 26, 2001, is entitled "Systems and methods
25 for the secure transaction management and electronic rights protection," and lists "InterTrust
26 Technologies Corporation" as the assignee. Microsoft admits that a copy of text associated with
27 the '193 Patent was attached to the copy of the Second Amended Complaint delivered to counsel
28 for Microsoft, but denies that such copy was full and complete as it did not include, among other

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1 things, any of the drawings or figures. Microsoft further denies such copy was full and complete
2 insofar as it did not include any material purportedly incorporated by reference therein. Microsoft
3 denies that the '193 Patent was duly and lawfully issued. Microsoft further denies any and all
4 remaining allegations of paragraph 8 of the Second Amended Complaint.

5 9. Microsoft admits that on its face the title page of U.S. Patent No. 5,940,504
6 ("the '504 Patent") states that it was issued August 17, 1999 and is entitled "Licensing
7 management system and method in which datagrams including an addressee of a licensee and
8 indicative of use of a licensed product are sent from the licensee's site." Microsoft admits that a
9 copy of the '504 Patent was attached to the copy of the Second Amended Complaint delivered to
10 counsel for Microsoft. Microsoft denies that the '504 Patent was duly and lawfully issued.
11 Microsoft further denies any and all remaining allegations of paragraph 9 of the Second Amended
12 Complaint.

13 10. Microsoft admits that on its face the title page of U.S. Patent No. 5,920,861
14 ("the '861 Patent") states that it was issued July 6, 1999, is entitled "Techniques for defining,
15 using and manipulating rights management data structures," and lists "InterTrust Technologies
16 Corp." as the assignee. Microsoft admits that a copy of the '861 Patent was attached to the copy
17 of the Second Amended Complaint delivered to counsel for Microsoft, but denies that such copy
18 was full and complete insofar as it did not include any material purportedly incorporated by
19 reference therein. Microsoft denies that the '861 Patent was duly and lawfully issued. Microsoft
20 further denies any and all remaining allegations of paragraph 10 of the Second Amended
21 Complaint.

22 11. Microsoft repeats and reasserts its responses to paragraphs 1-7 of the
23 Second Amended Complaint, as if fully restated herein.

24 12. Microsoft admits that the Second Amended Complaint purports to state a
25 cause of action under 35 U.S.C. §§ 271 and 281. Microsoft denies that it has infringed or now
26 infringes the patents asserted against Microsoft in the Second Amended Complaint. Microsoft
27 denies any and all remaining allegations of paragraph 12 of the Second Amended Complaint.

28 13. Microsoft denies any and all allegations of paragraph 13 of the Second

1 Amended Complaint.

2 14. Microsoft denies any and all allegations of paragraph 14 of the Second

3 Amended Complaint.

4 15. Microsoft denies any and all allegations of paragraph 15 of the Second

5 Amended Complaint.

6 16. Microsoft denies any and all allegations of paragraph 16 of the Second

7 Amended Complaint.

8 17. Microsoft denies any and all allegations of paragraph 17 of the Second

9 Amended Complaint.

10 18. Microsoft repeats and reasserts its responses to paragraphs 1-6 and 8 of the

11 Second Amended Complaint, as if fully restated herein.

12 19. Microsoft admits that the Second Amended Complaint purports to state a
13 cause of action under 35 U.S.C. §§ 271 and 281. Microsoft denies that it has infringed or now
14 infringes the patents asserted against Microsoft in the Second Amended Complaint. Microsoft
15 denies any and all remaining allegations of paragraph 19 of the Second Amended Complaint.

16 20. Microsoft denies any and all allegations of paragraph 20 of the Second
17 Amended Complaint.

18 21. Microsoft denies any and all allegations of paragraph 21 of the Second
19 Amended Complaint.

20 22. Microsoft denies any and all allegations of paragraph 22 of the Second
21 Amended Complaint.

22 23. Microsoft denies any and all allegations of paragraph 23 of the Second
23 Amended Complaint.

24 24. Microsoft denies any and all allegations of paragraph 24 of the Second
25 Amended Complaint.

26 25. Microsoft repeats and reasserts its responses to paragraphs 1-6 and 9 of the
27 Second Amended Complaint, as if fully restated herein.

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1 26. Microsoft admits that the Second Amended Complaint purports to state a
2 cause of action under 35 U.S.C. §§ 271 and 281. Microsoft denies that it has infringed or now
3 infringes the patents asserted against Microsoft in the Second Amended Complaint. Microsoft
4 denies any and all remaining allegations of paragraph 26 of the Second Amended Complaint.

5 27. Microsoft denies any and all allegations of paragraph 27 of the Second
6 Amended Complaint.

7 28. Microsoft denies any and all allegations of paragraph 28 of the Second
8 Amended Complaint.

9 29. Microsoft denies any and all allegations of paragraph 29 of the Second
10 Amended Complaint.

11 30. Microsoft denies any and all allegations of paragraph 30 of the Second
12 Amended Complaint.

13 31. Microsoft denies any and all allegations of paragraph 31 of the Second
14 Amended Complaint.

15 32. Microsoft repeats and reasserts its responses to paragraphs 1-6 and 10 of
16 the Second Amended Complaint, as if fully restated herein.

17 33. Microsoft admits that the Second Amended Complaint purports to state a
18 cause of action under 35 U.S.C. §§ 271 and 281. Microsoft denies that it has infringed or now
19 infringes the patents asserted against Microsoft in the Second Amended Complaint. Microsoft
20 denies any and all remaining allegations of paragraph 33 of the Second Amended Complaint.

21 34. Microsoft denies any and all allegations of paragraph 34 of the Second
22 Amended Complaint.

23 35. Microsoft denies any and all allegations of paragraph 35 of the Second
24 Amended Complaint.

25 36. Microsoft denies any and all allegations of paragraph 36 of the Second
26 Amended Complaint.

27 37. Microsoft denies any and all allegations of paragraph 37 of the Second
28 Amended Complaint.

1 38. Microsoft denies any and all allegations of paragraph 38 of the Second
2 Amended Complaint.

AFFIRMATIVE AND OTHER DEFENSES

4 Further answering the Second Amended Complaint, Microsoft asserts the
5 following defenses. Microsoft reserves the right to amend its answer with additional defenses as
6 further information is obtained.

First Defense: Noninfringement of the Asserted Patents

8 1. Microsoft has not infringed, contributed to the infringement of, or induced
9 the infringement of U.S. Patent No. 6,185,683 B1 (“the ‘683 Patent”), U.S. Patent No. 6,253,193
10 B1 (“the ‘193 Patent”), U.S. Patent No. 5,940,504 (“the ‘504 Patent”) or U.S. Patent No.
11 5,920,861 (“the ‘861 Patent”), and is not liable for infringement thereof.

12 2. Any and all Microsoft products or actions that are accused of infringement
13 have substantial uses that do not infringe and therefore cannot induce or contribute to the
14 infringement of the ‘683 Patent, the ‘193 Patent, the ‘504 Patent or the ‘861 Patent.

Second Defense: Invalidity of the Asserted Patents

16 3. On information and belief, the '683 Patent, the '193 Patent, the '504 Patent
17 and the '861 Patent are invalid for failing to comply with the provisions of the Patent Laws, Title
18 35 U.S.C., including without limitation one or more of 35 U.S.C. §§ 102, 103 and 112.

Third Defense: Unavailability of Relief

20 4. On information and belief, Plaintiff has failed to plead and meet the
21 requirements of 35 U.S.C. § 271(b) and is not entitled to any alleged damages prior to providing
22 any actual notice to Microsoft of the ‘683 Patent, the ‘193 Patent, the ‘504 Patent or the ‘861
23 Patent.

Fourth Defense: Unavailability of Relief

25 5. On information and belief, Plaintiff has failed to plead and meet the
26 requirements of 35 U.S.C. § 284 for enhanced damages and is not entitled to any damages prior to
27 providing any actual notice to Microsoft of the '683 Patent, the '193 Patent, the '504 Patent,
28 and/or the '861 Patent, and any alleged infringement thereof.

Fifth Defense: Unavailability of Relief

6. On information and belief, Plaintiff has failed to plead and meet the requirements of 35 U.S.C. § 287, and has otherwise failed to show that it is entitled to any damages.

Sixth Defense: Prosecution History Estoppel

7. Plaintiff's alleged causes of action for patent infringement are barred under the doctrine of prosecution history estoppel, and Plaintiff is estopped from claiming that the '683 Patent, the '193 Patent, the '504 Patent, and/or the '861 Patent covers or includes any accused Microsoft product or method.

Seventh Defense: Dedication to the Public

11 8. Plaintiff has dedicated to the public all methods, apparatus, and products
12 disclosed in the '683 Patent, the '193 Patent, the '504 Patent, and/or the '861 Patent, but not
13 literally claimed therein, and is estopped from claiming infringement by any such public domain
14 methods, apparatus, and products.

Eighth Defense: Use/Manufacture By/For United States Government

16 9. To the extent that any accused product has been used or manufactured by
17 or for the United States, Plaintiff's claims and demands for relief are barred by 28 U.S.C. § 1498.

Ninth Defense: License

19 10. To the extent that any of Plaintiff's allegations of infringement are
20 premised on the alleged use, sale, or offer for sale of products that were manufactured by or for a
21 licensee of InterTrust and/or provided by or to Microsoft to or by a licensee of InterTrust, such
22 allegations are barred pursuant to license.

Tenth Defense: Acquiescence

24 11. Plaintiff has acquiesced in at least those acts of Microsoft that are alleged
25 to infringe the '861 Patent, the '683 Patent, and the '193 Patent.

Eleventh Defense: Laches

27 12. Plaintiff's claims for relief are barred, in whole or in part, by the equitable
28 doctrine of laches.

PRAYER FOR RELIEF

WHEREFORE, Microsoft prays for the following relief:

- 3 A. The Court enter judgment against InterTrust on, and dismiss with
4 prejudice, any and all claims of the Second Amended Complaint;

5 B. The Court award to Microsoft its reasonable costs and attorneys' fees; and

6 C. The Court grant to Microsoft such other and further relief as may be
7 deemed just and appropriate.

8 | DATED: August 29, 2001

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